

**TRAVEL ELIGIBILITY CRITERIA
FOR RETIREE TRAVEL PRIVILEGES**

Canadian-Based	U.S. Based
25 years of continuous* or qualifying** service	25 years of continuous* or qualifying** service
Factor 80 (age plus continuous or qualifying service = 80)	Factor 80 (age plus continuous or qualifying service = 80)
age 65 with a minimum of 10 years of continuous service	
age 60 (for pilots) with a minimum of 10 years of continuous service	Age 65 with a minimum of 10 years of continuous service

← Formatted Table

* Continuous Service: Continuous service means the date marking the start of the last continuous employment with the company –or- last date of hire. This includes the number of years of continuous service on record at Canadian Airlines for those employees who were integrated at the time of the merger in 2000. This would not include any period where the employee terminated employment with the company and was later rehired.

**Qualifying Service: Qualifying service represents a period of service as a member of a defined benefit pension plan sponsored by the Company and as defined in the pension plan rules. It is the period of employment while a member of the pension plan for which compensation is paid including any period during which the member receives indemnity from an approved disability plan. It also includes any period of leave (such as maternity/parental leave or special leave), any period of previous employment or period of pre-employment military service that the member elected to buy back in the pension plan, if the pension plan rules so permit.

Examples of qualifying service:

1. Purchase of military service: Any new employee who elects to transfer military service to the defined benefit pension plan sponsored by the Company will be eligible to retire when they complete 25 years of qualifying service, which is a combination of years of previous military service plus year of service with Air Canada.
2. Buyback of previous employment with Air Canada: If an employee is rehired by Air Canada and elects to buy back the years of previous service he/she would be eligible to retire when they complete 25 years of qualifying service, which is a combination of years of previous service plus years of current service.

March 2008